

SENATE BILL 1712

By Herron

AN ACT to amend Tennessee Code Annotated, Title 45
and Title 47, relative to mortgage lending
practices.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 45, Chapter 13, Part 1, is amended by adding the following language as a new section as follows:

§ 45-13-129.

Notwithstanding any other provision of law, rule or regulation to the contrary, all loans for residential real property shall be closed only in the office of the lender or the agent of the lender.

SECTION 2. Tennessee Code Annotated, Section 47-14-108, is amended by adding the following language as a new, appropriately designated subsection:

(c) Notwithstanding any other provision of law, rule or regulation to the contrary, if a prepayment penalty is included in a loan of one hundred thousand dollars (\$100,000) or less for home improvements to an owner-occupied residence where such residence is the collateral for the loan, such prepayment penalty shall not extend beyond the first twenty-four (24) months after the date of consummation of the loan.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it and shall apply to all such loans entered into or consummated on or after the effective date of this act.